

STATE OF NEW YORK

10220

IN SENATE

May 6, 2026

Introduced by Sen. KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to authorizing residential cooperative corporations to offer health insurance

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraph 1 of subsection (c) of section 4235 of the insurance law is amended by adding a new subparagraph (O) to read as follows:

2
3 (O) A policy issued to a residential cooperative corporation organized
4 under the business corporation law or cooperative corporations law of
5 the state of New York, for the benefit of its shareholders and their
6 dependents, provided that:

7 (i) The cooperative has been in active existence for not less than two
8 years prior to the issuance of such policy;

9 (ii) The cooperative is not formed or maintained solely for the
10 purpose of obtaining insurance; and

11 (iii) The policy is issued by an insurer authorized to do the business
12 of accident and health insurance in this state.

13 § 2. Subsection (b) of section 1101 of the insurance law is amended by
14 adding a new paragraph 9 to read as follows:

15 (9) Notwithstanding the foregoing, a residential cooperative corpo-
16 ration that contracts with an authorized insurer to provide group acci-
17 dent and health insurance to its members and their dependents pursuant
18 to subparagraph (O) of paragraph one of subsection (c) of section four
19 thousand two hundred thirty-five of this chapter shall not be deemed to
20 be doing an insurance business solely by reason of sponsoring such
21 coverage.

22 § 3. The superintendent of financial services shall promulgate such
23 rules and regulations as may be necessary to implement the provisions of
24 this act, including but not limited to standards relating to solvency
25 protection, nondiscrimination, disclosure of benefits, and reporting
26 requirements applicable to residential cooperative health groups.

27 § 4. This act shall take effect on the one hundred eightieth day after
28 it shall have become a law. Effective immediately, the addition, amend-
29 ment and/or repeal of any rule or regulation necessary for the implemen-
30 tation of this act on its effective date are authorized to be made and
31 completed on or before such date.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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